

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
NEW ALBANY DIVISION

IN RE:	)	Chapter 11
	)	
EASTERN LIVESTOCK CO., LLC,	)	Case No. 10-93904-BHL-11
	)	
Debtor.	)	Hon. Basil H. Lorch III

**FIRST INTERIM APPLICATION OF JAMES A. KNAUER FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES  
AS CHAPTER 11 TRUSTEE**

James A. Knauer, the chapter 11 trustee appointed in this case ("Trustee") hereby makes his first interim application ("Application") for the allowance and payment of his fees incurred as Trustee and for reimbursement of out-of-pocket expenses advanced by the Trustee. In support of this Application, the Trustee states as follows:

1. Petitioning creditors commenced the above-captioned chapter 11 case ("Chapter 11 Case") against Debtor on December 6, 2010 ("Petition Date") by filing an involuntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. ("Bankruptcy Code"). This Court entered its *Order For Relief In An Involuntary Case And Order To Complete Filing* [Docket #110] on December 28, 2010.

2. On December 27, 2010, the Court entered its *Order Approving The Appointment Of James A. Knauer As Chapter 11 Trustee* [Docket #102] ("Trustee Order"), approving the United States Trustee's *Notice Of Appointment And Application for Order Approving Appointment of Trustee* [Docket #98] pursuant to 11 U.S.C. § 1104.

3. This Application is the first interim application filed by the Trustee seeking compensation for actual, necessary services rendered by the Trustee and

reimbursement of out-of-pocket expenses advanced by the Trustee for the period December 20, 2010 through and including April 30, 2011.

4. Following his appointment by the United States Trustee, the Trustee has performed a variety of services, all of which are described in detail in the billing statements attached as Exhibit A.

5. Exhibit A provides the detail of the time and hourly billing rate for the Trustee. A summary of the fees requested by the Trustee and the number of hours worked, the billing rate requested and the total fees claimed is set forth below:

<b>Task Description</b>	<b>Hours</b>	<b>Value</b>
<u>Asset Analysis and Recovery</u>	<b>18.5</b>	<b>\$8,047.50</b>
<u>Asset Disposition</u>	<b>1.9</b>	<b>\$826.50</b>
<u>Business Operations</u>	<b>80.8</b>	<b>\$35,148.00</b>
<u>Case Administration</u>	<b>112.3</b>	<b>\$48,850.50</b>
<u>Claims Administration And Objections</u>	<b>3.6</b>	<b>\$1,566.00</b>
<u>Fee/Employment Applications</u>	<b>0</b>	<b>\$0.00</b>
<u>Financing</u>	<b>4.8</b>	<b>\$2,088.00</b>
<u>Litigation</u>	<b>32.9</b>	<b>\$14,311.50</b>
<u>Relief from Stay Proceedings</u>	<b>8</b>	<b>\$3,480.00</b>
<u>Litigation Consulting</u>	<b>0</b>	<b>\$0.00</b>
<u>Travel</u>	<b>33</b>	<b>\$14,355.00</b>
<u>Total Hours</u>	<b>295.8</b>	

6. The Trustee has advanced the sum of \$3,903.90 for out-of-pocket expenses incurred in connection with this case during the period from December 20, 2010 through and including April 30, 2011. A summary of the out-of-pocket expenses incurred by the Trustee is set forth at the end of Exhibit A.

7. The Trustee has maintained a very large website which includes all of the pleadings filed in this case as well as all of the pleadings filed in the related cases of East West Trucking, Inc. and the Thomas and Patsy Gibson bankruptcy estates.

This website additionally contains hearing transcripts, a blog of case developments, the pleadings filed in significant adversary proceedings, including inter-pleader cases, a listing of current events, links to news articles and information on filing of claims, links to claim forms and filing deadlines. The site also contained information for the filing of bond claims related to the Debtor's USDA bond. Primary responsibility for maintenance and posting to the website rests with the Trustee's Paralegal whose normal hourly billing rate is \$115 per hour. Through April 30, 2011, the work of the Trustee's Paralegal in maintaining the Eastern Livestock website, based upon her normal hourly rates, equals \$27,703.50 as depicted on Exhibit B.<sup>1</sup> Recognizing that the website overlaps with certain ministerial functions that would ordinarily be required to be performed by the Trustee's Paralegal, the Trustee seeks to recover what he believes is a reasonable cost of providing the services related to the website of 50% of the Paralegal's time, or the sum of \$13,851.75 which approximates a cost of \$3,463 per month. Given the decrease in the initial momentum of case filings, it is likely this cost, on a monthly basis, will decrease in the future.

8. The Trustee has received no payment for his fees or out-of-pocket expenses. This Application is the first application of the Trustee and no prior fees have been awarded to the Trustee in this case.

9. No agreement or understanding exists between the Trustee and any other person or entity for the sharing of compensation received for services rendered in connection with this case.

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<sup>1</sup> The Trustee's Paralegal has devoted many hours to assisting the Trustee which are not reflected on the entries related to the website in Exhibit "B" which is solely the website. The cost of the non-website time is subsumed in the Trustee's fee application.

10. All services rendered and all expenses incurred for which compensation or reimbursement is sought have been rendered or incurred exclusively by the Trustee and represent necessary and proper services rendered in the administration of this Chapter 11 Case.

THEREFORE, the Trustee requests (i) the Court award compensation to the Trustee on account of his actual and necessary fees in the amount of One Hundred Twenty-Nine Thousand One Hundred Fifty-One and 50/100 Dollars (\$128,673.00) plus order reimbursement for out-of-pocket and website expenses incurred in the amount of Twenty Thousand, Three Ninety-Eight Dollars and 40/100 Dollars (\$17,755.65) and (ii) grant the Trustee all other just and proper relief.

Respectfully submitted,

KROGER, GARDIS & REGAS, LLP

By: /s/ James A. Knauer

*Chapter 11 Trustee*

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## **CERTIFICATE OF SERVICE**

I hereby certify that on June 3, 2011, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on June 3, 2011, a copy of the foregoing pleading was served via electronic mail transmission on the following:

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